Phase 1 schools?

- A Ah-huh.
- Q So you went to 100 schools---
- A And then back to 318 plus. That means that there were some schools where sometimes they were up and sometimes were down, so I didn't count them.
 - Q That can happen? Some schools go down and up?
 - A Yes.
 - Q There is nothing you can do about that?
- A Well, if it is once in a while, it depends on maybe a thunderstorm or something like that. But if you have the same school 2 days of the week up and 3 days down, then next week 3 days up and 2 days down, don't count it because they are unreliable.
- I don't want USAC or FCC to make an audit and consider that school. I would better not count it. If it doesn't make a point on my approach, I don't count it.
- Q So then you went up from 100 schools, you went back up to 318 schools, which would be Phase 1 schools?
 - A Phase 1 schools.
- Q So essentially you've got 218 more Phase 1 schools up, right?
 - A At the time of this report.
- Q Right. Originally there were 760 Phase 1 schools connected?

A Yes.

Q Were you upset at all at the fact that only 318 Phase 1 schools were up?

- A Were up?
- O Were not connected.
- A Connected?
- Q Yes.
- A Yes. At the time of this report, yes 318.
- Q Did it bother you that not all of the Phase 1 schools were connected?

A Of course I was. Not only Phase 1, but Phase 2. That was what was supposed to be when this Administration took over but it was not and I was pushing hard to have as much schools connected as I could because FCC was pushing hard. They were telling me "you want money to be liberated, okay, bring me more." And we brought more and they said "oh, you are doing fine, but bring me more."

And then we were going back and doubled the effort and then "hey, look what we have done" and they said "good, doing good. Come back next time and give me more." So this is like looking into the horizon and once you get to the horizon you discover "hey, somebody moved it."

I went to the hospital 3 times. Three times I was hospitalized because of this. I was working from 8:00 in the morning until midnight or DEPONENT:00 a.m. every single day.

I didn't have Saturdays, I didn't have Sundays, no holidays, no Christmas, no nothing. Even my first grandson was born, the one that has my name and in one year I saw him only 4 times and he lives in Mayaguez. He doesn't live in China. That tells you, you know, I am a new grandparent and you know what that means. And I only have 4 times to see my grandson? In a year? We were pushing like hell there, believe me.

Q I understand.

1.2

1.4

1.5

- A We were pushing like hell.
- Q Now, PRTC was supposed to have the Phase 1 schools connected, right?
 - A Yes, Sir.
- Q Did the Department of Education do anything to PRTC either as punishment or by any other reason because of this failure to have all the schools connected? In other words, because they only had 318 as of the day of that report?

A I made the same request to both. When we were asking for the recovering plan, I had that meeting with both at PRTC and DRC and I made the same request to both of them. That we were in a hurry, that I needed to produce evidence and not word of what is going on, that I need the schools connected and you know, all things and that I was going to push harder.

In the time that both of the suppliers were working for the project, the message was the same for both of

them. Once DRC was out of the project, then all the instructions I gave were given only to PRTC that was the only contractor.

Q But the fact that the contractors did not have all the schools connected was not why their contracts were canceled?

A Say again?

Q The fact that all the schools were not connected is not the reason for the cancellation of DRC's contract?

A No. The reason is that I have to select one of them because 2 of them were taking me nowhere. I had pushed, I had fought, I had yelled, I did everything I did to make the thing work and it didn't work.

So I have to go and put all my bet in just one of the horses and then I saw all the information I had. I am having a big problem with electricity and there is nothing I can do about it because it was a huge amount of money, so I had to decide well, who has a better chance to recover and that I can show a success story to the stakeholders? Bingo, wired.

Q We talked about at that last deposition, I just don't recall every specific detail and I want to ask you just one question. Did you tell me that you made the recommendation that DRC's contract should be canceled?

A No. I made the recommendation on that the project

that has more probabilities and if I had to choose one, I would chose one that was the wired. No matter if it is DRC, if it is PRTC. I need the project working and as you see, sometimes you have awarded a bid to one supplier but when it's going to be implemented, it's another supplier.

So for me, as far as I had the wired one with the better possibilities where I can defend with FCC and USAC to get the money to pay and terminate the project, that is why I recommended it.

It happened that at that time that project was worked out by DRC. But in terms of selecting DRC over PRT, for me it makes no difference.

Q Well essentially, if I understand correctly, you are going to put your efforts on the Phase 1 schools and the Phase 2 schools were going to essentially---

A To wait.

O To a halt---

A Wait until I can prove that at least one half is a viable project and I have the faith of FCC and USAC telling me to go ahead. Remember that I need money from Phase 4 to set up the backbones and finish part of the job and also, there was...

Another part of the story is that the hardware, that was bought in the year 1 or 2 was becoming very rapidly obsolete. For example, the switches that DRC was using in

their part of the project, the only place where I can find technicians and that was about this time last year, was in Russia.

O In Russia?

1.1

A Yes, because not even the people that constructed the switches were giving us support so I asked Adonay, see where we can get somebody that understands what is going on with that and someone said "we have some people who are in Russia." Forget it.

I was running short because in the case that I recover the project and I just have Lázaro up and running in the 21st Century, what the hell am I going to do with Lázaro in this time? It's like having 8 tracks sound systems in all the schools. Okay, now what do I do with 8 track systems? Nobody can use it. There is no support for it.

You have to bring oxygen to someone who needs it but before the guy is dead and I have a sword pending on my neck and I have to give answers because everybody is, like you are doing now, everybody is asking me and I have to produce the answers.

I am not God, I am not magician and I am not going to tell a lie. You see? Because the good part of this is that now I am out of the ship. But I am still Anibal Cruz and I want people to say "he is Anibal Cruz." It doesn't matter where his position is. He might be the CEO of the

Department of Education or an Independent Consultant or just a retired guy running a bicycle in the city but he is Anibal Cruz. I am not going to lie for anybody.

MR. CAMILO SALAS: I appreciate that. Let's take a break.

OFF THE RECORD

After the recess,

BY MR. CAMILO SALAS:

Q Again on page 4 the slide at the bottom. It says new school setups in 400 schools. New cabinets with larger size properly located. UPS and proper electrical outlets, 12 additional drops in each school library. Explain to me what was that all about.

A That was the setup that Telefónica told us that they needed, to be operational.

- Q They put that in 400 schools?
- A Ah-huh.
- Q And they were all not connected?

A They were not operational and some of them, they moved it. Others, they made electricity available because they moved the switch or they moved the box. They did whatever to match the setup that they designed and said "this is what needs to be done to be operational," what should have been done from the beginning.

So PRTC had a new contract to provide those

services there?

- A No.
- Q It was under the same contract they had?
- A The thing is, they should have a singing bird.
- Q A what?

A A singing bird, and the bird was not singing. So I told them, make the bird sing or you are not getting paid because I was asking people from FCC and USAC to come and see me. Don't believe what I say, I might be lying to you. Come and see me, have your people and with a telephone line down in Puerto Rico and over here tell them, from among these calls go and check if I am saying the truth or not.

So I wanted to be sure and this way, I committed PRTC in terms of you are going to respond for that. You were paid, you charged for services and the services were not going on so you do something because I am asking the auditors to come.

Q You were telling that they were charging for services?

A No. They were charging for services of connected schools. You want to charge? You want to be paid for the services? Okay, make the bird sing. That is all I am asking you. All the project is about that the schools should be connected and some kid in the school should go to that PC, get into the Internet and that way you comply with the

project. Make the bird sing. 1 2 So they provided new cabinets? Ά 3 In the cases they needed, they changed the cabinets. 4 0 Larger cabinets? 5 Α Ah-huh. 6 Why did they need larger cabinets? 7 0 Α I don't know. 8 Because they were putting more equipment in the 0 9 cabinets, right? 10 I don't think so, except for a UPS because the fan 11 goes in the side. It's not inside. The fan is a hole in 12 somewhere in the cabinet and then you have the fan. 13 Who made the proper electrical outlets? Who did Q 14 15 that? In the cases when there were schools of Thev did. 16 Public Buildings, well the people from Public Buildings and 17 some that were already recovered in the electrical awards, 18 remember I told you? 19 0 Ah-huh. 20 Some improvements were made at that time. 21

Did PRTC do some electrical work themselves? 0

22

23

24

25

Α I have to go to the specifics of the schools. Ι don't know, but if they had to relocate the thing because they should connect and test and show me that it works. Ιf

there is no electricity available, there is no way that they can show me that the thing works.

If my bird doesn't sing, why have a dead bird that doesn't sing? All what FCC was asking me is "come on, give me the bird's call. I want to hear it."

The release of the money depends on it and at the time I left, we have more than 600 schools and still they were holding the money. So that means that they were asking for it. And it is fair. If I were putting \$160,000,000.00 in the project, I better see something going on and working.

To be true, if it were the opposite way and I was auditing them, I would be pushing on FCC and USAC "okay, show me your schools are connected." So I was in a hurry. I need connections as they defined it. A school connected is a school where a kid can reach to the Internet through whichever way was established for the project.

Q Now, let me just ask you a question that I want to have an answer to. Were electrical connections made in the schools with E-Rate funds?

A No.

- O No?
- A As far as I know, no.
- Q Because that is not allowed?
- A That is not allowed.
- O If the PRTC did some electrical connections and

provided electrical outlets, that would have been paid with other funds?

A All I need is, they were paid to have schools connected and operational and whatever contents are in the black box and they have to make it operational.

Q But, what we talked about earlier this morning I think for a good hour or so, was about the fact that \$10 million dollars worth of electrical connections had to be made in some of the schools and you were trying to get it then and you were trying to get it done by, what's it's name again?

A OMEP.

O OMEP and the other one?

A But it all depends in the specific cases. I can't cage the whole bunch of schools in the same module. Because some schools were attended by OMEP, some schools were attended by Public Buildings and some were granted to do the improvements they had to do.

Q But the fact of the matter is that PRTC was not doing electrical connections with its own funds just because they are nice guys.

A Well, it all depends on how you define electrical connections.

- Q Okay, explain that then.
- A Electrical connections can mean a lot of things.

Q

A The simplest thing to say, I use a line cord from the nearest outlet.

Q And extension cord?

Like what?

A An extension cord. That is very simple and the more complex is I say the whole system for the whole school.

Q All right.

A I think that you can go to an extent of what you can do that is allowed.

Q But what does E-Rate funds allow, and what does it not allow?

A It is not allowed for example to go and buy a new transformer and put it in the school and bringing lines from the transformer to the schools and make new wiring to the whole school to get the thing. But in order that you are selling me a connective service and the connective service needs power and you agree that you are going to deliver it to me working and tested, you should provide for that.

As far as I have the schools with power and I am not telling of having 25 or 100 computers connected but the system that is only 4 servers and whichever equipment is in the cabinet working, you should provide for that. If not, how are you going to prove to me that it is working?

I was so upset by then that I made sure that in every single bid after I was in the position, I called for

what I called a "total solution." And that is that if I buy from you technology equipment, you are going to deliver it to me functioning. Meaning that you are going to do whatever you have to do. In the bids after that and it is written, that whatever you have to do to deliver it operational and you will be responsible for the whole thing for the next 3 years.

Q All right. But if you request that, and the contractor is going to be paid with E-Rate funds and we know that if you cannot use E-Rate funds for electrical connections, would the contractor not be breaking the law by agreeing to a total solution project like you call it? And doing it with E-Rate funds?

A I don't buy PCs with E-Rate funds, I don't buy laps with E-Rate funds.

- Q But you are asking that the contractor connected the servers and connected everything with E-Rate funds?
 - A No, Sir.

- Q The point is from which funds are the electrical connections to be paid with?
 - A Which electrical connections?
- Q The ones that you hypothetically been describing to me. You said that you want somebody to come in, connect everything and do all the connections that are needed so that a child can sit---

- A For example... Oh, in the E-Rate program?
- Q That's what we are talking about here.
- A No, because I was talking about the labs.
- Q Well let's talk about the E-Rate program.
- A That's why maybe I was confused. I was talking about the later bids we made with the labs and the PCs all the other things.
 - Q All right. I am talking about---
 - A Let's go back to E-Rate.
 - Q E-Rate.

- A In E-Rate those contracts were awarded before I was there and they were already done.
 - Q And you would agree with---
- A But the thing is that I think that that was bad from the beginning. I don't know if this is relevant at this time or not. If I were in the beginning of the project, I would not have designed it the way it was designed.

But that is not my responsibility. Somebody did it and somebody has to answer for that. That is not my responsibility. I think that if the contract says that you are going to deliver a system in a working condition and operational, you should provide that the system is in a working condition and operational. And you have to prove it to me that it is working.

The thing is that everybody trusted everybody in

saying "yes, it is working." Okay, take it for granted. Put it on. We have no electricity. So why did you put it over there? Somebody told me to put it over there. Aren't you the expert? Yes, but the Principal told me.

O So who---

A I just cannot understand that.

Q In that situation, who should pay for to move the electrical connections?

A It all depends on how you define electrical connections. If you are going to move the whole school's electrical connections, it should be the Department of Education. But because you decide to connect, to deliver the black box and the servers in this room that is in the other side where the library is, where there are the connections and you did it and you bet your expertise that this is the place to do it, if you did it wrong, relocate it.

It was your fault. You said you were an expert. That is why you were hired and you were paid the amount of money you were paid. If not, then I can call all the janitors in the Department of Education and tell them okay, put it wherever you want to put it. But they were requested to do so because they know what they are doing.

Q So the solution would be to relocate the equipment?

A If it was misplaced, it is your responsibility.

Make it work because if it is not connected, there is no way

that I will sign an invoice of services on something that is not working, under no circumstances. If I have to quit, I quit, but I will not do it. If it is not working, it is not working.

- Q Would you be satisfied with an extension cord from the next room?
 - A No, Sir.
 - Q No?

- A No, Sir.
- Q What is it that you would require to be satisfied?
- A A fixed connection.
- O A fixed connection in the wall?
- A That complies, because if by any chance a student gets electrocuted with that thing or whatever goes on with that thing or the school burns, then the next thing that is going to burn is myself. So I want to make sure that everything is doing all right and the way it should be because I know what's going on.
- Q So the fixed connection that you are talking about, that would be a connection attached to the wall with all the proper precautions and everything done by an electrician, right?
- A One of the things we found out is that I don't know if you have any permission or we would have later on to see the details, but I remember something that brings my

attention very close.

Somebody of the "experts" hired by the suppliers had this power extension line and he cut the ground post, okay? And after that, he made cascading with the 4 UPSs. From the first UPS he connected a server, a full server and the next UPS. From the second UPS, a server set and a third UPS. All of this in a Christmas tree extension line.

Come on. Just to think that I say to McDonald "hey McDonald, check this school." I am going to bet the next \$90 million bucks for year number 4 that is all right, and he comes and sees something like that...

- Q Do you know why he cut the ground post?
- A I don't even know who cut the ground post.
- Q Do you know why it was cut?
- A No, I don't know.
- Q Do you know that in some of these old schools that were built long ago had not been updated? Many of them don't have a ground? A third wire ground?
 - A A hell of an expert I have doing that. Isn't he?
 - O What's that?
 - A A hell of an expert I have doing that.
 - Q Okay, so---
- A If you claim you are an expert and you do that,

 Jesus Christ, I think that they are going to burn me. They
 should throw this guy from...

Just think that one of the kids in this school and there is no precaution and he gets electrocuted or whatever you call it. Just because somebody that was in a hurry and needed the school to have this delivered even though it doesn't work, made that connection and leave over there? And it was there because the technician brought me the line and the UPS to see it.

Q What would be the proper thing to do with this special situation? Just to leave the equipment unplugged?

A If you are an expert and you are hired for that and you are paid the amount of money that they were being paid for doing such a job and you tell me you did it wrong? I think I would do the same thing I am telling you I am doing.

If you tell me now go and lie and do something that is not in accordance with what I think, I would say no, forget it. I won't connect that school. I wouldn't even deliver that equipment in that school and leave it there to see if somebody has time. As it happened, because there were equipments that the schools had not connected, under the stairs. You find all of those kinds of things.

But if I am an expert it is my responsibility to say no. Hell no. I am not going to deliver it that way. Either you do it right or I am going to say something about that. But I am not going to throw or connect in the wrong way because somebody is going to be asking about that.

Q Okay, let me refer you back to top paragraph, item 1A.

A Ah-huh.

Q Why don't you read that?

A Ah-huh. It makes me laugh. Sorry, but it makes me laugh. How come as serious as this project is, I'm going to go to this school and then somebody tells me that they are going put it into that room, which I see that it doesn't have the facilities, I am going to connect it with an extension, show you that it worked and then put it off and keep it? It's like going to the playground and say "hey kids this is a ball, do you see it?" "And it bounces, doesn't it?" Okay, until next year and then take the air off and save it.

This is not a computer count of just to show the people in Puerto Rico "hey listen, I have so many computers or so many servers." Neither one of them works. They are in the boxes. We disconnected them. It doesn't work." This is not the purpose of this project and you don't have to be a wise man to know that somebody is going to ask for that.

How come is it that I am going to be going to this school, do it like it says over here and then present an invoice saying that I am complying with everything at the project? The project doesn't say that it is going to be like this. And if it is the fault of the Department of Education, blame it on the Department of Education. Blame it on whoever

or Public Buildings or whoever is in charge of that, if somebody lied and said that they have the facilities and they didn't have them, let him respond for that. But don't go on in the same ship doing the same kind of bad work and just leaving the equipment over there and keep it disconnected and until next time. And it happened.

When I got there, there was equipment for 2 years,

3 years in the boxes or out of the boxes or one part over
here and another part over there, just until somebody came,
tried it, comply with the paperwork and say "it went on good.

It was unbelievable. This is not the spirit of the project.

We are trying to fool the people of the United States, who puts the money through our telephone bills to make this problem going on and this is dishonorable.

Q When you say "we", who is "we"?

A We. We the people that pay the telephone bills.

They take a certain amount of every bill to put the funds for E-Rate.

Q No. When you are saying "we are trying to fool the people in the United States, who is "we"?

A Oh, we. The people that act like this kind of saying that certain job was done when it was not done.

MR. A.J. BENNAZAR: And may the record reflect he is referring to a letter written by DRC Corporation to Mr. Adonay Ramírez.

BY MR. CAMILO K. SALAS:

A (DEPONENT) I am the expert. I should keep the answers and if I have no answers, I should be honest enough to say "people, I don't have the answer and I can't do that."

"Don't ask me to do what is not supposed to do."

I told you, if the Department of Education has to provide for the electricity and they didn't, put the ball on the Department of Education's court.

- Q Who would put the ball now?
- A In this case the suppliers.
- Q You would suggest that DRC would go where---

A If I were DRC, PRTC, Centennial or whichever, and I have a contract with the Department of Education that says that I am going to leave the equipment in operating conditions and I am going to try that the thing works and somebody tells me no, you are not going to leave like that, you are going to put it into that room even though it is in the other side of the school away from the T-1 connection, they have no security or they have no power supply available? I would say no, forget it and if I have to return back to San Juan with the equipment, I return back.

Because I can sustain that position because that is the best position I can do based on the evidence I had and the data I have. What I can't support is that I did the whole mess even though I am supposed to be the expert who

knows that it should not be done. That's the way I think.

- Q Now, when you first received that letter Exhibit 4, which you indicated earlier that you did receive---
 - A Yes.

- Q Did you tell anybody what you just here told me?
- A Yes.
- Q Who did you tell that to?
- I told my people I need this over here. I remember I talked with Ricardo. We had an argument with Ricardo because he brought me this same way of thinking that "well, the Principal told me." Well, the Principal is not the expert. That was one of the very few meetings I was, at least part of the meeting and I remember I had this argument with Ricardo. I said Ricardo, you people are supposed to be the experts. You should not act according to somebody that doesn't know anything about systems. That is why we hired you.
 - Q And you told that to whom, Ricardo?
 - A Ricardo Reyes.
 - Q And who was he with?
 - A DRC. He is the one who signs this letter.
 - Q Okay, you told him that?
- A I told him. But whatever was done it was done 2 years before I was there, as a matter of fact, 2 years and a half. So why did suddenly I just have this bundle of

dynamite in my hands almost exploding and I wasn't even there? Like I told you before, I didn't pass the red light, I didn't hit the old woman and I wasn't the one who escaped, but I am the one driving the car when the police stopped it. I have to give answers.

I tried to do the best to the best of my abilities. I am not God. I don't have all the answers, at least the correct answers but I tried to do the best I could in a way that I can stand over here and give my reasons to you, to FCC, to USAC, to the Congress, to the Department of Justice, who ever asked me, this is the best I did with the best of my resources and the evidence I have about that.

- Q All right, let's get a couple of things straight here now. One, you wouldn't want an extension cord going from one room to another, right?
 - A No, Sir.

- Q If the choice were between leaving the equipment connected with the use of an extension cord or leaving them not connected, you would prefer that they be not connected, right?
 - A I would prefer not to leave them.
 - Q I'm sorry?
 - A Not delivered. Not unconnected.
- Q No. If the choice were to leave the equipment unconnected or connected with an extension cord, which of the

two would you preferred?

A It's like a question of you wanted to be killed. You want me to kill you with a knife or with a gun? I want to live. I don't want to be killed and I don't want anything delivered if it doesn't comply. In my terms, I can't sign an invoice you present me under those conditions because I am going be asked by somebody else "why did you sign that if you know you should not sign it?"

- Q All this equipment that was connected and that you spoke about extensively just a few minutes ago, that is the equipment that was delivered to the schools before your Administration?
 - A Yes, Sir.
- Q Do you have any knowledge concerning what instructions were given to the vendors about whether they should leave the equipment unconnected in the schools---?
 - A No, Sir.
 - Q Or taken them home? So to speak.
- A No, Sir. Until this day, I didn't have the honor to know Mr. Kivio Peguero who was the person who was in that position before I was and I don't have until this moment, any official information on what instruction was given.
- Q Now, let's talk about that instance that you said that you saw an extension cord where the ground had been cut off, right?

- A Yes. 1 2 Q You are an Electrical Engineer, right? Α No, Sir. 3 That was Mr. Santana, excuse me. You do know that 4 5 in order to ground a connection you have to have 3 wires? Α Yes, Sir. 6 And basically, what that third ground post is cut 7 off it is because the plug on wall does not have the 8 9 receptacle for the ground, right? No, Sir. Α 10 And to properly fix that, what you have to do is 11 you have to rewire the entire school? 12 Or produce a prong that goes to a ground. 13 So that would be some kind of a modification to the 14 existing electrical system? 15 Α At least to that outlet it has to be grounded. 16 Right. And that would require putting a ground 17 outside and running a third wire or a new---18 That's out of my expertise. I can say yes or no, 19 I know the principles, but how it is actually but I am... 20
 - It would require the use of an electrician, do you suppose?
 - Yes, Sir. Α

done, I don't know.

21

22

23

24

25

In order to do the wiring work of what we have just

described and if that work was done, can we pay for that work 1 2 with E-Rate funds? And be legal, that is? 3 Α As far as I know, no. 0 All right. So in that particular instance, in 4 order to do that work for whoever connected this the way you 5 described it didn't do it, did the Department of Education 6 make available additional funds to the contractors to do the 7 8 electrical work that was required to avoid doing what was done? 9 Α Under my office? No. 10 0 You did not provide any funds? 11 No, Sir. 12 А Is that right? Q 13 Under my office, no. Α 14 Now, you spoke about the cascading effect? 0 15 Ah-huh. Α 16 Q That is connecting one UPS and then connecting the 17 next UPS to that UPS, etceteras, down the line? 18 Α Yes, Sir. 19 The proper way to do it is that you connect each Q 20 UPS to an independent outlet on the wall, right? 21 Α Yes, Sir. 22 And in order to do that if you had 4 UPSs you would 23

Compugrafía, Inc. (787) 708-1821 708-1643

have to have 4 outlets one next to each other?

24

25

Α

Ah-huh.

Q Yes?

A Well, I am not an electrician and I am not an expert. But at least it sounded like an outlet with 4 plugs.

- O With 4 little plugs, okay.
- A Yes.
- Q Are you aware of the fact that in that school that you are talking about, there was only one single outlet there?
 - A If that is the case, I won't deliver it.
 - Q You would take the equipment back home?
- A Ah-huh.
- Q But if the person who installed that equipment wanted to properly plug the UPS, then we would have to call the electrician again, right?
 - A Something has to be done about that.
- Q Yes?
- A Something has to be done about that, but it is out of my... It is out of my responsibilities. It is out of my expertise and in that case, I just do what I did. Call OMEP and call the people from Public Buildings and tell them "listen people, I am having this problem." Call them.
 - Q But they didn't have to, right? Yes?
- A Well they went some places and to others they didn't come.
 - Q They didn't come, all right. Now, would you agree

that to do that work we could not use E-Rate funds and do it 1 legally? 2 Okay, in that case, if that is the case okay, Α 3 return the equipment and give us back the money because you 4 5 didn't deliver it the way it should be. You also would agree, would you not, that the 6 7 vendors should not be doing work for free that might be considered as kickbacks to the Department of Education? 8 Α Yes, I heard something about that. 9 0 Yes? 10 11 Yes, Sir. In other words, you would not want DRC for example, 12 to be doing electrical connections for free for the 13 Department of Education that may be construed to be 14 kickbacks? 15 No, Sir. Α 16 You don't want that? 17 Α No. 18 And you wouldn't want DRC to be giving electrical 19 extensions to the Department of Education that may be 20 considered to be kickbacks? 21 I wouldn't want---Α 22 Go ahead and answer first my question yes or no, 23 and then you can explain it. 24

Compugrafía, Inc. (787) 708-1821 708-1643

Okay, I answer no.

25

Α

0 What? 1 Α I will say no. 2 3 Q Okay. 4 Α Because I don't want to give anything to the Department of Education that is not according to the law. 5 All right. And one more item you would not want 6 DRC to be giving are PCs to the Department of Education that 7 might be construed as being kickbacks? We talked about that with DRC and Telefónica and we Α 9 decided that it was against E-Rate and we said no, we were 10 not going to be taking in any computers from you and that was 11 informed to the Secretary. 12 And when were those discussions held with---13 That was discussed when we were talking about the 14 recovery plan. 15 Prior to that, had the Department of Education 16 requested PCs from DRC? 17 The only thing I remember is I requested from Α No. 18 DRC and PRTC show me that the thing works. 19 And to do that, they would have to put PCs in the 20 schools, right? 21 If---Α 22 Because you wanted a working station where the kids 23 could go and sit down and connect and reach the Internet? 24 Well, if the school does not have the computer Α 25

available to demonstrate that the thing works, they can use 1 one of their computers to show that the thing works. 2 there were schools that do have computers and we were buying 3 computers to put into the schools. 4 We have got to be fair, now. I think you are 5 trying to be fair but you said what you wanted was a PC 6 station where the children could come and sit down and reach 7 the Internet. 8 The thing is when you say "you wanted" meaning A No. I wanted as a gift to the Department of Education---10 No, no. I am not saying as a gift. What you saw 11 is a total solution---12 Total solution in the bids we made after, Α 1.3 concerning the acquisition of equipment. 14 What you were expecting then from the vendors was a 15 working PC station where a student could sit down and access 16 the Internet? 17 To demonstrate that the thing works. 18 If there were no computers, how were we going to 19 demonstrate that to you? 20 Well, demonstrate it and keep your computers. It's 21 yours and not mine. I would bring in my computers. 22

> Compugrafía, Inc. (787) 708-1821 708-1643

The vendor.

Α

Q

23

24

25

And who would demonstrate it to you?

The vendor would demonstrate it to whom?